

A Brexit from Government Schooling: Toward Education Freedom in the United Kingdom

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KEY TAKEAWAYS

Restructuring the financing of education in the U.K. to allow for education choice is consistent with a broader desire for more locally determined policy.

British officials should harness the enthusiasm for local control that catalyzed Brexit and pursue an education savings account for every single child in the U.K.

The principles of education savings accounts—subsidiarity, competition, and parent-directed accountability—are the framework of a family-centered education system.

On December 12, 2019, the British people returned Boris Johnson as Prime Minister of the United Kingdom and sent 365 Conservatives to Parliament. Johnson's victory, a massive Conservative majority in Parliament, and—nearly four years after voting in favor of Brexit—a full exit from the European Union could soon usher in a second Roaring Twenties in the United Kingdom. These recent events also suggest a desire for more locally driven policies informed by deference to subsidiarity, with decisions driven by local actors, who are better positioned to determine the policies that will best meet local needs. This policy window¹ provides an opportunity for the policymakers in the United Kingdom to reassess the current structure of elementary and secondary education and to consider ways in which it, too, could be devolved to better meet the needs of families across the country.

This paper, in its entirety, can be found at <http://report.heritage.org/bg3466>

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The American experience with private school choice policies, specifically education savings accounts (ESAs), suggests that expanding education choice will lead to improved academic achievement and attainment outcomes, along with numerous other societal benefits, such as increased civic participation and school safety, as a result of putting families in control over where and how their children are educated. Restructuring the financing of elementary and secondary education in the United Kingdom to allow for education choice is consistent with a broader desire for more locally determined policy and would modernize education financing to enable families to customize their children's education.

The 2019 General Election and Brexit: A Policy Opportunity for Education Freedom

On December 12, 2019, Britain's Conservatives won a landslide victory at the polls, taking 365 Parliamentary seats in the U.K. General Election. The Conservative Party now has a majority of 80 seats, its biggest majority since Margaret Thatcher won her third term in office in 1987. The opposition Labour Party, led by Jeremy Corbyn, won 202 seats; the Scottish National Party won 47 seats; and the Liberal Democrats won 11 seats.

Boris Johnson is now the most successful Conservative Prime Minister at the ballot box since Lady Thatcher. He will be in power at least until December 2024 for a fixed five-year term under the Fixed-Term Parliaments Act 2011. The Conservative win was a massive repudiation of socialism and left-wing ideology. Above all, it was a huge endorsement of Brexit and the need to leave the European Union (EU) as soon as possible. The U.K.'s exit from the EU was by far the dominant issue in this election, with British voters immensely frustrated by Parliament's efforts to block Brexit.

In June 2016, 17.4 million Britons (52 percent of the votes cast) voted to leave the EU in a historic referendum. They voted to take back control of Britain's borders, laws, courts, and trade. It was an emphatic vote for liberty, sovereignty, and self-determination. Boris Johnson's government now has the necessary Parliamentary majority in place to ensure that the 2016 Brexit vote can actually be implemented.

On January 31, 2020, the U.K. will formally leave the European Union, followed by a transition period in place until the end of 2020. During the transition, the U.K. will still be part of the EU Customs Union and Single Market and will negotiate a free trade agreement with the European Union that will enter into force on January 1, 2021. The U.K., the world's fifth-largest economy, will also negotiate free trade deals with countries across the

world, including with the United States—trade deals that will be a force generator for economic freedom.

Freed of the shackles of the EU, Brexit offers a valuable window of opportunity for the United Kingdom, America’s closest friend and ally, to reassess and rethink existing policy in a whole range of areas, from defense and foreign policy to immigration and cybersecurity. Brexit offers tremendous opportunities for innovation not only in the security and intelligence arenas, but also in the vital field of education. The British government, as well as the devolved governments of Scotland, Wales, and Northern Ireland, can take significant steps toward education freedom, adopting market-based ideas that advance educational access for students and greater parental choice, as well as increased local control over schools.

Education Outcomes in the United Kingdom

Although education tends to be improving on the whole in the United Kingdom—for example, graduation rates improved 6 percentage points from 2005 to 2017 for upper secondary students across the U.K.²—there is considerable room for improvement, particularly for students from disadvantaged areas. As the Office of Standards in Education (Ofsted) explains, “[T]here are some children who may have never had the opportunity to attend a good or outstanding school in the whole course of their education.... There are children who are not being given the care they need in order to be safe.”³

Ofsted, which inspects schools in England, has also identified 490 “stuck” schools that are not improving on any measure, having been judged as requiring improvement, as satisfactory, or as inadequate “at every inspection since 2005.” As Ofsted notes, the “overall quality of schools has improved over the last few years. However, we judged 11 [percent] of schools to require improvement at their latest inspection and 4 [percent] to be inadequate. This is over 3,100 schools.”⁴ Moreover, the performance gap between all children and those with special needs has increased.

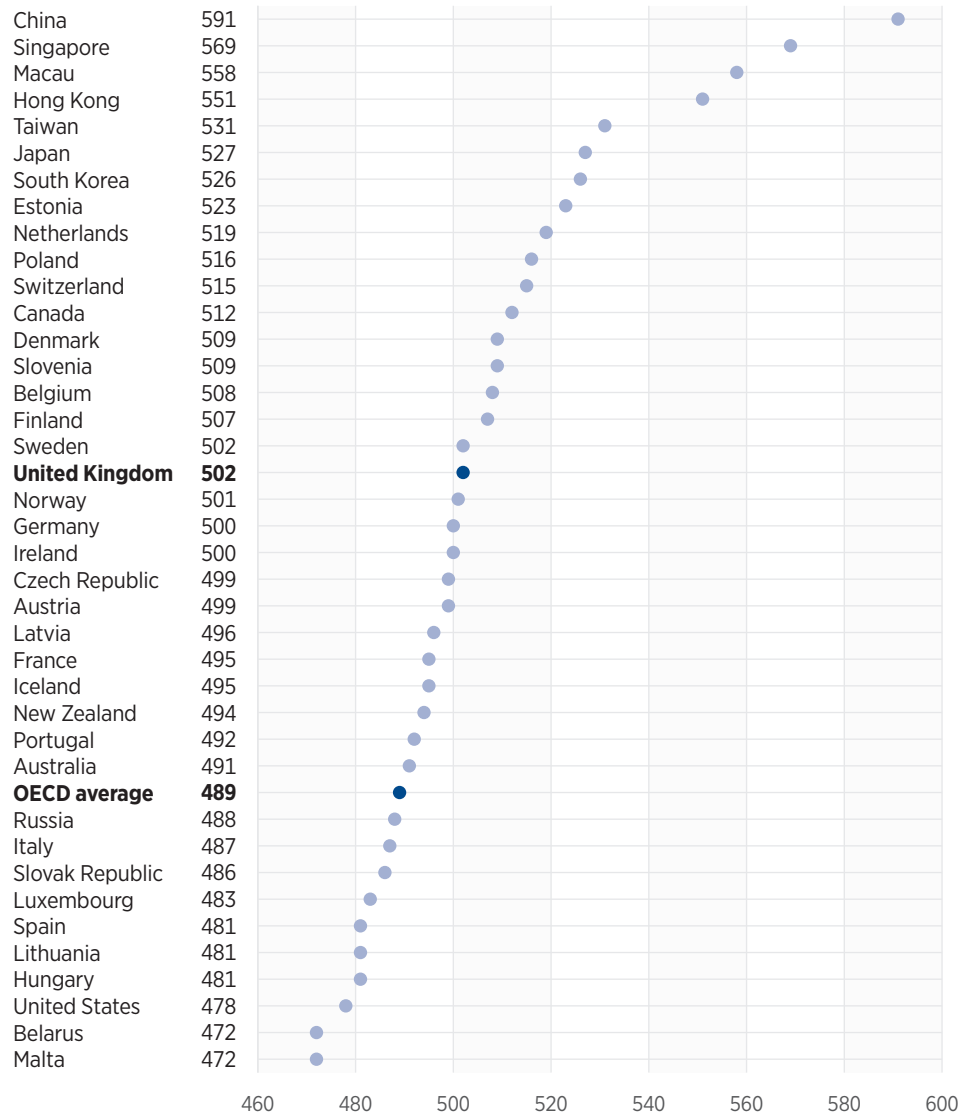
For these children, access to higher quality education options that fit their unique needs is imperative. But for all students in the United Kingdom, which encompasses England, Scotland, Wales, and Northern Ireland, maximizing their ability to achieve their hopes and dreams and later-life aspirations rests considerably on their ability to choose a school that is the right fit for them.

Performance in an International Context. Although there is room for improvement, students in the United Kingdom perform above average on international measures of academic achievement, such as the Program

CHART 1

British Student Performance: Math

AVERAGE SCORES OF 15-YEAR-OLD STUDENTS ON THE PISA MATHEMATICS LITERACY SCALE, 2018



SOURCE: OECD, Programme for International Student Assessment, "PISA 2018 Results," <https://www.oecd.org/pisa/publications/pisa-2018-results.htm> (accessed January 9, 2020).

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for International Student Assessment (PISA), the Trends in International Mathematics and Science Survey (TIMSS), and the Progress in International Reading Literacy Study (PIRLS) survey.

CHART 2

British Student Performance: Reading

AVERAGE SCORES OF 15-YEAR-OLD STUDENTS ON THE PISA READING LITERACY SCALE, 2018



SOURCE: OECD, Programme for International Student Assessment, “PISA 2018 Results,” <https://www.oecd.org/pisa/publications/pisa-2018-results.htm> (accessed January 9, 2020).

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In math, British 15-year-olds scored significantly above the Organization for Economic Co-operation and Development (OECD) average of 489 on the PISA, with an average math score of 502. Students in the

U.K. outpaced their peers in—among numerous other OECD countries—France, Australia, Russia, and the United States.⁵ Math achievement among British 15-year-olds continues to lag behind that of students in countries including Japan, the Netherlands, Canada, and Denmark, among others.

The picture was much the same in reading on the PISA, with British 15-year-olds scoring significantly above the OECD average (487) in reading. The average reading score of 504 for students in the United Kingdom exceeded that of students in Denmark, Norway, Germany, Belgium, France, and numerous other European countries.⁶ The reading achievement of British 15-year-olds does, however, trail several other OECD countries, including, among others, Estonia, Canada, Ireland, and Poland.

On the 2015 (the most recent year of data available) TIMSS, with an average math score of 546, students in the United Kingdom significantly outperformed most of their peers in other countries throughout Europe, but trailed their East Asian counterparts by double-digits. Math achievement among British fourth-graders has been stable since 2011, but has improved significantly since 1995.⁷ Eighth-grade mathematics performance among British students fared similarly, with eighth-graders in the U.K. achieving an above-average math score of 518, surpassing many of their European counterparts, but falling considerably below students in East Asian nations. As with fourth-grade math, eighth-grade math has remained steady since 2011, but performance has improved significantly since 1995.⁸

Finally, the PIRLS, an international comparative survey of the literacy of children in their fourth year of schooling in 50 countries, suggests British students are performing above the average of their peers in other nations. More than 5,000 British Year 5 children participated in PIRLS in 2016, performing significantly above the median of other participating countries and placing among the top-performing countries in Europe. Although England was a top-performer on the literacy assessment, U.K. students still performed behind students in Ireland, Finland, and Poland. At the same time, reading performance in England has improved significantly in the decade from 2006 to 2016, and reading performance gaps between students from lower- and upper-income families have also shrunk.⁹

Regional Differences. The state of education in the United Kingdom in 2020 is a case study in disparate outcomes, with notable regional differences in academic achievement and attainment. Elementary and secondary schools in London “dominate” schools Ofsted rates highly, with disparities in academic achievement foreshadowing similar disparities in academic attainment across the country.

As the London-based Centre for Policy Studies writes:

While the UK can pride itself on being the fifth biggest [sic] economy in the world it is widely acknowledged that its economic strength is concentrated overwhelmingly in London and the South East. Indeed, the UK boasts two of the three richest areas on the European continent—but also has sharper regional disparities than almost all of its major rivals.¹⁰

Although there is some evidence that the socioeconomic achievement gap between students from families in the top and bottom 10 percent of the income distribution in the United Kingdom has not worsened in recent years and has been relatively stable since 1950,¹¹ the pockets of excellence in London and the South East are surrounded by areas home to a significant number of underperforming schools.

The aforementioned “stuck” schools are concentrated in particular in the North East, Yorkshire, the Humber region, and the East Midlands region, where 10 percent of schools are deemed as “stuck.” In contrast, just 3 percent of schools in the South East and South West regions are “stuck,” as are just 2 percent of schools in London.¹²

Students in “stuck” schools, those with special needs, and those in dangerous school environments need an immediate escape hatch. But even the best school is not the best school for every child. All children in the United Kingdom deserve access to quality learning environments of their parents’ choice.

The Development of the British Education System

Primary and secondary education in Britain evolved from a small and almost entirely private system in the 19th century to a complex mixture of schools run by local education authorities and state assistance for places at non-public schools. While the size of the state system continued to grow, Britain maintained a tradition of taxpayer assistance for students to attend private schools as well. No small amount of controversy, however, embroiled the issue—particularly the issue of which denominational schools had access to funding, with early 20th-century governments rising and falling on the controversy.

The Labour Party moved against the use of selective admission in schools in the 1970s, a policy that the Margaret Thatcher government partially reversed in 1979. A number of local authorities maintained the operation of selective schools despite government edict, and the decision

whether to use selective admissions was left to local authorities by the Thatcher government in 1979. Nevertheless, the number of selective grammar schools declined, and today a large majority of schools in the United Kingdom are now comprehensive schools, not using academic ability to determine admissions.

A mixed system in terms of public and private schools persisted. Until 1976, the central government and county councils paid for students to attend independent day schools through the Direct Grant Scheme and similar locally funded efforts. Seventy percent of independent day schools were principally state funded until 1976.¹³ After 1980, the Assisted Places Scheme provided sponsored places for children from low- and middle-income families to attend independent schools. The scheme ran from 1980 to 1998 and provided means-tested support to 75,000 young people over its lifetime.¹⁴

Prime Minister Tony Blair’s “New Labour” government phased out the Assisted Places Scheme in 1997, withdrawing public support for low-income students to attend private schools. Later, the Labour government created academy schools—publicly funded schools that operate outside the control of local authorities. Academies were created with additional flexibility, received funding directly from the central government, and were able to make use of resources that previously would have gone to local authorities to provide additional services. Academies had the option of following the national curriculum or not. The Labour government initially used academy schools as a turnaround strategy for low-performing schools, and the Conservative/Liberal Democrat coalition government subsequently expanded the use of academies.

Labour Delegates Voted to Abolish Private Schools in 2019

In September 2019, Labour party members voted to have the party abolish private schools by removing their charitable status and redistributing their endowments, investments, and properties to the state sector.¹⁵ The motion called for funds and properties held by private schools to be “redistributed democratically and fairly” to other schools. Shadow chancellor John McDonnell said it would help build “a more cohesive and equal society.”¹⁶

The illiberalism of this proposal stands as truly breathtaking.

Perhaps Britons pondered whether they wished to live in a society in which private associations can be barred from meeting and their assets seized. Associations representing these schools vowed to challenge such an action in court and asked why they were being singled out. If a government can close private associations and seize their assets, what—if

any—limits are there to such state power? Which groups might constitute the next enemy of the state to get such treatment? Does anything prevent the current Conservative government from outlawing labor unions and redistributing their endowments, investments, and properties “democratically and fairly?” Neither of these things deserve even polite discussion among those who carry a proper appreciation for civil society and the principle of voluntary exchange.

Supporters of closing private schools complained of private school exclusivity, while opponents not only noted how entirely inappropriate such a proposal is for a liberal democracy, but just how deeply impractical it would be. Seven percent of students attend private schools in Britain, for instance, and the public school sector currently struggles to hire enough teachers.

On the topic of exclusivity, ironically enough, a Labour government phased out a program to provide financial assistance to low-income students wishing to attend private schools in 1997. Thus, a Labour government made private schools more exclusive—and 22 years later Labour Party members adopted a manifesto to abolish private schools because they are excessively exclusive.

Learning from the Termination of the Assisted Places Scheme

Assisted Places only served 34,000 students with 355 schools, and as a result, the Labour government experienced relatively little political difficulty in eliminating the choice mechanism. A comparison between Britain and the state of Florida is illustrative. In 2018, a major party nominee for the governor of Florida pledged to emulate Prime Minister Blair’s cancellation of choice programs in the state. Florida’s first private school choice program passed in 1999. Today there are multiple choice programs operating in Florida, and the oldest of them have been in operation for a longer period than Assisted Places.

Britain currently has about four times as many students as the state of Florida (10 million compared to 2.5 million), but the Florida Tax Credit Scholarship program currently serves almost three times as many students and has five times the number of participating schools when compared to Assisted Places in 1997. In addition to the Florida Tax Credit Scholarship Program, Florida has four additional private choice programs, which in combination exceed the size of the Assisted Places program in 1997.

A larger and more active constituency may have been able to defend the Assisted Places program from repeal. However, it is not likely that

an Assisted Places–type program can achieve the sort of scale necessary to avoid repeal. It is unfortunate, but necessary, to note that the Labour Party ended a program aiding low-income families to attend private schools, and then in 2019 called to abolish private schools entirely as they were “too exclusive.” Any future choice program should include and advantage the poor, but must have broader community support in order to survive. In order to achieve the goal of Assisted Places—bringing economic diversity to British private schools—such choice options must be made widely available to all families, broadening community participation and support.

A subtle but profound shift could accomplish these goals and more. The main focus for the United Kingdom should be on funding students. The technology now exists to allow families to control their education funding to allow them to choose between a variety of school and non-school educational experiences. Rather than simply funding *schools*, Britain should be funding *educations*.

More Market in Your Quasi-Market Mechanism: Education Savings Accounts

Paul Hill of the University of Washington addressed the following comment to his observation of American schools, but similar problems face public education systems everywhere:

Money is used so loosely in public education—in ways that few understand and that lack plausible connections to student learning—that no one can say how much money, if used optimally, would be enough. Accounting systems make it impossible to track how much is spent on a particular child or school, and hide the costs of programs and teacher contracts. Districts can't choose the most cost-effective programs because they lack evidence on costs and results.¹⁷

Not only can we not answer complex questions, such as “how much spending is enough,” we cannot even answer what should be relatively straightforward questions, such as “how much should the state be willing to pay a provider for an online academic course?” One way to approach this dilemma is to grant families the education funds for their children and give them the flexibility to sort through schools and other service providers. How much is an online course worth? The answer is however much parents are willing to spend in a context in which they have competing opportunities to consider and an incentive to maximize the utility of funds.

The Arizona Empowerment Scholarship Account (ESA) was the first program of this kind, establishing an education savings account mechanism to provide an education for qualified students. The original law made students with disabilities attending public schools the previous year and continuing ESA students eligible to participate. In 2012, Arizona lawmakers expanded eligibility to include students attending “D” and “F” rated public schools and school districts, children having gone through the foster care system, and children of active-duty military members starting in the fall of 2013. Later, lawmakers included the siblings of eligible students and Native American students living on tribal lands. Subsequently, lawmakers in Florida, Mississippi, North Carolina, and Tennessee established similar programs.

Arizona’s program specifies that the parent or guardian of the eligible child must sign an agreement with the state to provide an education that must include reading, grammar, mathematics, social studies, and science. The agreement obligates the parent not to enroll the eligible student in a district or charter school while participating in the program and releases the school district of residence from any obligation to educate the participating child. Students can, however, return to the public school system, and public schools can provide ESA students services by mutual agreement using account funds as specified below. The student cannot, however, simultaneously be enrolled in a public school and participate in the ESA program.

Once a contract is signed between a parent and the state, Arizona then deposits 90 percent of the state funding that would have otherwise gone to the child’s public schools into the participating student’s account. ESA funds may be used for the following purposes:

- Tuition or fees at a non-public school,
- Textbooks,
- Educational therapies or services from a licensed or accredited practitioner,
- Curriculum,
- Tuition or fees for a non-public online learning program,
- Fees for a standardized norm-referenced achievement exam,

- Fees for an advanced placement examination,
- Fees for a college or university admission exam,
- Tuition or fees at an eligible post-secondary institution,
- Contributions to a Qualified 529 college tuition savings program, and
- Management fees from financial institutions selected by the Arizona Department of Education to oversee the accounts.

The program is overseen by the Arizona Treasurer's office and the Arizona Department of Education. The law provides for random audits of accounts, and the Department of Education may remove a family from participation for a serious misuse of funds, subject to appeal. In cases of suspected fraud, the Department of Education is empowered to refer cases to the Arizona Attorney General's Office for investigation and possible prosecution.

The law represents a liberal system of state-assisted education to stand beside the state-run system. Arizona lawmakers designed the ESA system to serve as an opt-out of the public school system. State taxpayers enjoy a variety of benefits from the agreement with parents—including a direct savings. Possible other benefits to be realized with program growth include relieving public school overcrowding and increasing the per-pupil resources available to school districts. School districts retain their local funding even when they lose a student to the program.

American programs thus far have acted as an opt-out proposition: Eligible students either participate in public schools or in the ESA program. This avoids having the state fund two educations for a single child. This, however, is neither the only nor the optimal way to structure such a program. The most robust version would be to have all K–12 funding go into an account directed by families and overseen by public authorities, with families then empowered to decide which schools and service providers to employ to educate their child. In Britain this could and should include places at academy, maintained, and independent schools.¹⁸

Matt Ridley's book, *The Rational Optimist: How Prosperity Evolves*, makes a compelling case that voluntary exchange represents the driving force behind human improvement, not only currently, but throughout history. ESAs have the potential to harness the power of exchange into improving education. Normally, innovators develop new ways of doing things continuously. People today thoughtlessly enjoy the benefits of innumerable

innovations developed by people long since forgotten. Meanwhile, products and services continue to improve in quality and price.¹⁹ Through this process, people develop new and improved products and services over time through a decentralized exchange mechanism. The public decides which innovations thrive and for how long, and which to discard.

Granting schools greater flexibility through the academy schools policy doubtlessly represents a very welcome development. One size does not fit all: Britain is a very diverse country, and the individual needs and preferences of students vary wildly. If Britons display the wisdom and patience to allow demand to primarily drive which schools close, and which replicate, we should hope that over time the average quality of the sector will improve.

Giving families full control over education funding, however, opens entirely new possibilities and the needed mechanisms for allowing the public to sort through them. Parents have the flexibility under account mechanisms to engage in customized multi-vendor education.

Investments and Institutions Needed to Make ESAs Work

Americans began developing the technologies and institutions to guard-rail ESA use long before the first ESA program passed. Governments and private enterprise have been developing techniques applicable for ESA account oversight for decades. ESA implementation efforts must adapt and customize techniques and lessons learned from programs such as food assistance (which transitioned from a voucher system to an account mechanism) and health savings accounts. A system of public oversight and controlled reimbursement for expenses can ensure public confidence in proper use of funds. Private firms have developed online platforms creating transparent accounts with which parents can make purchases, whether for tuition or other expenses, within a digital walled garden of white-listed schools, therapists, and service providers.

Next steps will include the incorporation of rating systems such as Yelp that aggregate customer reviews and could easily be adapted to ESAs. While parents may have little if (any interest) in what state education officials have to say about the quality of, for example, the online courses offered by a given university, they would likely have a keen interest in which courses other ESA parents and students found useful, appropriate, and worthwhile.

With an online consumer rating system, parents could avail themselves of the evaluations of their peers on programs and services of the vendors, such as tutors, universities, and therapists. Such a system could be a valuable

resource for ESA parents and might help them avoid sub-standard providers. Many rating services aggregate both the reviews of experts and users separately and provide other information relevant to users.

Account mechanisms such as ESAs could well become our most powerful tool in re-engineering the way we provide public services. There is much to be gained from incorporating voluntary exchange as a core principle of public education. Those of us who support ESAs recognize how little we know. We do not have the answer to Paul Hill's cost-effectiveness puzzle, but we do have an idea about how to empower parents to figure it out themselves.

The Efficacy of School Choice and ESAs: A Look at the Empirical Evidence

Parents are, indeed, savvy consumers of education services, products, and providers. Kathy Visser was one of the first families to participate in Arizona's ESA program when it launched in 2011. The Vissers, whose son Jordan has cerebral palsy, entered the ESA program and received 90 percent of what the state of Arizona would have spent on Jordan in his traditional public school. Those funds went into Jordan's account, and his family then used his ESA to tailor an education experience to his unique learning needs.

"We've done a schooling-at-home program now for two years with the teacher," explains Kathy. "She's got the visual knowledge to work with his vision, and she's a special-ed teacher," Kathy says. "Workbooks, and mathematics, and manipulatives. We are developing his curriculum based on his needs. That is a huge advantage for us," says Jordan's father, Christo.²⁰

Max Ashton, another Arizona student who is blind and who participated in the ESA option, similarly tailored his education with this account funds. "A blind student in Arizona gets about \$21,000 a year," says Marc Ashton, Max's dad. "We took our 90 percent of that, paid for Max to get the best education in Arizona, plus all of his Braille, all of his technology, and then there was *still* money left over to put toward his college education," Marc explains. "So he is going to be able to go on to Loyola Marymount University, because we were able to save money, even while sending him to the best school in Arizona, out of what the state would normally pay for him."²¹

Max did indeed go on to Loyola Marymount University in California, paying his college tuition with his leftover Arizona state K-12 funding. ESAs enabled the Ashtons to craft a tailor-made education for Max, save unused funds from year to year, and use those savings to offset the cost of his college tuition down the road.

Indeed, a large percentage of ESA families are using their accounts to customize their children's education. Rather than using their ESAs in a manner similar to a school voucher (solely to offset the cost of tuition at a single private school of choice) more than one-third of Florida families used their ESA to customize their child's education during the 2014–2015 school year, utilizing a variety of education products and services in addition to or instead of private school tuition (a figure that increased to 42 percent the following year).²² In Arizona, 34 percent of families used their ESA to customize their children's education, paying for multiple services, products, and providers during the 2011–2013 school years, a figure which declined slightly to 28 percent from 2013–2015.²³

Parents are customizing their children's education with ESAs, they are saving unused funds from year-to-year in anticipation of future education-related expenses, and they are satisfied with the education their children are receiving. Moreover, a growing body of literature on the impact of education choice broadly on a wide range of outcome measures, from academic achievement and attainment to the impact on student safety and a host of important later-life outcomes, suggests private school choice leads to positive outcomes.

Academic Achievement and Attainment Impacts. To date, researchers have published 16 randomized control trial (RCT) evaluations of the impact of private school choice on student academic achievement. The rigorous nature of RCTs enable researchers to draw *causal claims* about a given outcome, isolating the effect of a specific intervention on a particular study population. Of the 16 RCTs conducted to date on the impact of private school choice on academic achievement (math and reading scores), 10 find positive effects for some or all students, four found null effects of school choice, and two—both from uniquely, heavily regulated Louisiana²⁴—found negative effects on student academic achievement.²⁵ Eight rigorous studies (a combination of five RCTs and three matching studies) examine the impact of school choice on academic attainment. Six find positive effects for some or all students on outcome measures such as high school graduation, college enrollment, and college persistence, while two find null outcomes on attainment.

Student Safety Impacts. Researchers Corey DeAngelis and Patrick Wolf provided the first review of the literature on private school choice and student safety in 2019. They identified six rigorous studies on the topic (a combination of RCTs, matching, and ordinary least squares statistical approaches). Four found positive impacts as reported by the school principal or parent, while one study found null effects on private school choice on student safety as reported by the parent and positive impacts as reported by the student, and another found positive impacts of school choice on safety as reported by the parent but null effects as reported by the student.²⁶

Character Development and Later Life Outcomes. Finally, researchers have examined the impact of private school choice on student character development and later life outcomes. In their review of the literature, DeAngelis and Wolf identify 12 rigorous studies (a combination of RCT and matching methods) on the impact of school choice on character development. Seven of the 12 studies find positive impacts from school choice on student character development, as operationalized through crime reduction, paternity suit reduction, increased voluntarism, political participation, and charitable giving. Five of the 12 studies reported null effects on student character development, including null effects on voting and reported tolerance.²⁷

On balance, the rigorous research on the impact of education choice on academic achievement, attainment, student safety, and critical character development measures such as voluntarism and tolerance is overwhelmingly positive. It is likely that these many positive outcomes flow from the fundamental re-orienting of education accountability toward parents that results from school choice.

Subsidiarity, Competition, and Parent-Directed Accountability: What Make ESAs Work

The success of education savings accounts and school choice emanates from three foundational principles: (1) subsidiarity: the theory that local actors are best-positioned to determine policies that meet local needs; (2) competition: the concept that market mechanisms encourage continuous experimentation and re-evaluation; and (3) parent-directed accountability: the expectation that choice allows families to determine how education dollars are spent (rather than an outside party such as a government official), increasing provider responsiveness to families.

Subsidiarity and Education Choice. The theory of subsidiarity suggests that smaller, more localized entities will outperform large, distant bureaucracies in advancing the common good. The principle of subsidiarity rests on the idea that “social groupings nearest to a challenge should meet those challenges first, before resorting to larger or more remote groups for help.”²⁸ Yet in the United States and the United Kingdom, elementary and secondary education is directed by larger and more remote government-run groups—school districts, states, and national entities—rather than by local communities and families.

It is also largely publicly financed and delivered through government schools, with children assigned to schools based on geography or their

parents' place of residence. As a result, decision making is concentrated with government officials, who determine funding formulas and school assignments. Those government officials have far less information about the needs of an individual student than his parents, who know his hopes, dreams, and later-life aspirations, creating a type of information asymmetry that may fail to match him with an education that is best suited to his needs.

Education choice, by contrast, fosters free association and charity, enabling a variety of education service providers to meet individual student needs while advancing the common goal of an educated populace. "The doctrine of subsidiarity values both individual liberty and community," wrote former United States assistant education secretary Bruno V. Manno. "It is a way of formulating and pursuing true social order. Even though groups have varying interests, subsidiarity implies that common ends are not antithetical to the pursuit of particular interests," Manno explained.²⁹

Indeed, as the previously outlined social science literature shows, education choice leads to increased character development and civic engagement, as evidenced by statistically significant positive effects on tolerance, charitable giving, voting, political participation, and volunteerism.³⁰ Leveraging the precept of subsidiarity, choice fosters the common goal of an educated, civically literate populace better than a distant, top-down government monopoly.

Competition and Education Choice. School choice also bolsters educational outcomes by harnessing free-market forces to drive improvement. Earlier theorists, such as Adam Smith, Frédéric Bastiat, and Friedrich Hayek, and modern economists, such as Milton Friedman, have long argued that competition is a means of increasing individual liberty, security, good government, and prosperity.³¹

In the mid-20th century and following on the heels of John Stuart Mill and Thomas Paine,³² Friedman extended classical liberal philosophy into the realm of education policy, arguing that the benefits created through a free-market system would accrue to education and would improve academic outcomes, reduce societal stratification, and avert social conflict.³³ Specifically, Friedman argued that the public financing of education not require government delivery of education, and as such, should be separated.³⁴

In contrast to residential assignment policies that deliver students—and money—to public schools regardless of how they perform or whether they are the right fit for a child, the competitive pressures created in a market-based environment fosters a variety of education service providers vying to meet the needs of individual families, lest those families take their children and accompanying funding elsewhere. That type of competitive

pressure means schools of all types must be responsive to parent and student needs, or risk declining enrollments.³⁵

Competition can also spur schools to meet particular student needs through “niche-seeking,” whereby education service providers that face a crowded K–12 education market offer individualized and customized services, instead of replicating the existing practices of conventional schools, in order to boost their chances of success in the market.³⁶ Markets also allow for what Yuval Levin has identified as “experimentation, evaluation, and evolution,” by incentivizing entrepreneurs to experiment, putting consumers in charge of evaluating how well new options are serving them, and fostering evolution by enabling consumer feedback to determine which new ways of doing things remain and which get discarded.³⁷ In this way, the competitive pressures generated by a free-market system—responsiveness, customization, and value—accrue to the benefit of families as they engage in the school selection process.

Parent-Directed Accountability and Education Choice. Economist Albert Hirschman wrote in his seminal 1970 book *Exit, Voice, and Loyalty* that, when presented with deteriorating services, consumers can exercise either “exit” (no longer using a given service or institution) or “voice” (participating politically to change their circumstances).³⁸ As a result of residential assignment policies, parents lack much of an “exit” option in public education, and engaging politically to change school circumstances can take time that students who are struggling simply do not have. Lack of exit and voice means an absence of fundamental accountability to families.

Following Friedman’s call to redefine “public” education by continuing with the public financing of elementary and secondary education but separating it from the delivery and administration of schooling provides students with immediate exit options that make schools responsive to their needs. Education choice increases accountability to families by enabling families to spend education dollars on their own children, and enables them, as Friedman noted, to “economize and maximize value.”

As Milton and wife Rose Friedman outline in their classic book, *Free to Choose*, there are four ways in which money can be spent: Individuals can spend their own money on themselves, their own money on someone else, someone else’s money on themselves, or someone else’s money on somebody else.³⁹ Friedman’s later call for “partial vouchers”⁴⁰—the intellectual foundation for education savings accounts—take education financing much closer to the vision of spending one’s own money on themselves (or their children). Unlike public schools, which spend someone else’s money (taxpayer money) on someone else’s children—and as a result have minimal incentive

to economize or maximize value—ESAs enable families to shop for individual services and providers, equipped with the knowledge of what their individual child needs, thereby economizing and maximizing their educational value.⁴¹

This trio of principles undergirding education savings accounts—subsidiarity, competition, and parent-directed accountability—is the theoretical framework on which the United Kingdom can build a family-centered education system as the Brexit era gets underway.

Conclusion: Time to Embrace Education Freedom in the United Kingdom

Eight million students attend nearly 22,000 state-funded schools across the U.K. In 2018, there were approximately 7,900 academies and free schools, up from 6,900 in 2017. Some 2,300 independent schools operate across England.⁴² Prime Minister Johnson has signaled his interest in expanding free schools—welcome news for families.⁴³

Free schools can help British children receive a quality education in a safe learning environment, and should continue to be a major part of the policy conversation. At the same time, however, officials should harness the enthusiasm for local control that catalyzed Brexit and pursue an ESA for every single child in the U.K.

The U.K. spends over \$12,200 per student in upper secondary, compared with the OECD average of \$9,300 per student.⁴⁴ Providing families with 90 percent of the existing per-student funding, using upper secondary spending as an example, would mean equipping British students with ESAs of nearly \$11,000 per year to pay for education services, products, and providers that are the right fit for them. It would mean enabling families to select into schools that align with their preferences for education, choosing learning environments that reflect their values and put their children on the path toward future success. It would mean bringing freedom in education to the United Kingdom at long last.

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